

HOUSE BILL No. 2042

DIGEST OF INTRODUCED BILL

Citations Affected: IC 14-37.

Synopsis: Abandoned oil and gas wells. Authorizes the establishment of a program that would permit a person who voluntarily remediates certain gas and oil wells to recover certain costs from the oil and gas environmental fund. Expands the sources of money for the fund. Authorizes the natural resources commission to dispose of oil and gas well equipment at an abandoned well and to use any proceeds to offset costs incurred by the commission in plugging and abandoning the well.

Effective: July 1, 2001.

Weinzapfel

January 17, 2001, read first time and referred to Committee on Environmental Affairs.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 2042

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 14-37-8-15 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 15. A person:
3 (1) who has no obligation to plug, abandon, replug, or repair a
4 well; but
5 (2) who does so under section 12, 13, 14, or 16 of this chapter;
6 may recover in a civil action against any responsible person the
7 reasonable expenses of the remedial action **or may apply to the oil**
8 **and gas environmental fund under IC 14-37-10 to recover the**
9 **reasonable expenses of the remedial action.**
10 SECTION 2. IC 14-37-10-3 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. The following shall
12 be deposited in the fund:
13 (1) Permit fees received under IC 14-37-4-6.
14 (2) Annual fees for Class II wells received under IC 14-37-5.
15 (3) Accrued interest and other investment earnings of the fund.
16 (4) Civil penalties collected under IC 14-37-13-3.
17 (5) **Gifts, grants, donations, or appropriations from any**

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1 **source.**

2 SECTION 3. IC 14-37-10-5 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. (a) Money paid into
4 the fund shall be appropriated for the following purposes:

5 (1) To supplement the cost required to abandon a well that has
6 had a permit revoked under IC 14-37-13-1.

7 (2) To cover the costs of remedial plugging and repairing of wells
8 under IC 14-37-8, **including the expenses of remedial action**
9 **under IC 14-37-8-15.**

10 (3) To cover the cost to:

11 (A) mitigate environmental damage; or

12 (B) protect public safety against harm;
13 caused by a well regulated under this article.

14 (b) The director may make expenditures from the fund for
15 emergency purposes under section 6 of this chapter without the prior
16 approval of the budget agency or the governor. An expenditure under
17 this subsection may not exceed fifty thousand dollars (\$50,000).

18 **(c) The director may establish a program to reimburse an**
19 **applicant for the reasonable expenses of remedial action incurred**
20 **under IC 14-37-8-15. The director may make expenditures from**
21 **the fund for this purpose and may establish any necessary**
22 **guidelines and procedures to administer the program.**

23 SECTION 4. IC 14-37-13-2 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) If a permit is
25 revoked under this chapter, the commission may do either of the
26 following:

27 (1) Order the owner or operator to plug and abandon the well.

28 (2) Plug and abandon the well.

29 (b) The revocation of a permit under this chapter does not relieve
30 the owner or operator of the well to which the permit relates of the
31 responsibility imposed by IC 14-37-8 for the plugging and
32 abandonment of the well.

33 (c) If the commission elects to plug and abandon a well under
34 subsection (a)(2), the commission may apply the bond or other security
35 provided under:

36 (1) IC 14-37-6; or

37 (2) IC 13-8-8 (before its repeal);

38 to the costs of plugging and abandoning the well.

39 (d) If the commission elects to plug and abandon a well under
40 subsection (a)(2), the owner or operator of the well remains liable for
41 the costs of plugging and abandoning the well.

42 (e) The state has a lien on:

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1 (1) the casing and all equipment located on or removed from the
2 well site; and

3 (2) the leasehold of the land upon which the well is located;
4 to secure the cost of plugging and abandoning. **Except as provided in**
5 **subsection (f),** the lien may be foreclosed on order of the commission
6 in the name of the state of Indiana by the attorney general in a circuit
7 or superior court having jurisdiction in any county where the land is
8 located.

9 **(f) If the commission elects to plug and abandon a well under**
10 **subsection (a)(2), the commission may also enter an order**
11 **authorizing its agents, employees, or contractors to dispose of**
12 **casing and all equipment located on or removed from the well site**
13 **at the time the well is plugged and abandoned. An inventory of the**
14 **casing and all equipment shall be made and the salvage or other**
15 **reasonable market value of the casing and all equipment shall be**
16 **applied as a credit to offset the actual cost incurred by the**
17 **commission to plug and abandon the well.**

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